

General Guidelines for Technical Assistance Grants for Credit Unions

Volunteer Income Tax Assistance Initiative-Tax Year 2005

What is the purpose of Technical Assistance Grants (TAGs)?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes. Such grants are provided to:

- Improve the quality of services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

The CDRLF grant program is administered through NCUA's Office of Small Credit Union Initiatives.

How does the grant payment process work?

Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs under this, or any, CDRLF initiative must obtain approval of the proposed expenditures before making those expenditures. NCUA will not fund any grant where the credit union has committed to, procured, contracted for, or purchased the good or service before receiving approval for the grant.

What is the Volunteer Income Tax Assistance (VITA) Initiative?

The VITA initiative is to provide financial assistance to credit unions wishing to help existing and potential members prepare their tax returns, especially those eligible for the Earned Income Tax Credit (EITC). Grant funds enable the credit union to offset administrative and operational costs associated with providing free income tax preparation services.

Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income

designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

Based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

In addition, low-income credit union applicants must apply for and receive the necessary certification from the Internal Revenue Service (IRS) to serve as a legitimate VITA site.

For further information about participating in the VITA initiative, please contact the IRS via e-mail, at partner@irs.gov. Please indicate that you are interested in hosting a VITA site.

Written inquiries may also be sent to:

Internal Revenue Service
401 W. Peachtree St.
Atlanta, GA 30308
Attn: Beverly Thomas
Mail Stop 49-WI

Please include primary and alternate contact names and telephone numbers with inquiries.

How much money is available?

For 2005, NCUA has allocated \$60,000 to the VITA Initiative. Low-income designated credit unions may apply for up to \$6,000 in grant funds under this initiative. Grants will be awarded based on the merit of the application.

What are allowable uses of grant funds?

Grant funds may be used to cover the administrative and operational costs of establishing and operating a VITA site. Following is a list of reimbursable costs. The list is not exhaustive, but is intended to be representative of costs which may be approved.

- Custodial services
- Equipment installation
- Equipment rental
- Insurance (special bond considerations)
- Installation costs
- Marketing and advertising (directly related to VITA site and services)
- Mileage (not to exceed the IRS standard mileage rate for 2004 of 37.5 cents per mile)
- Parking

- Postage
- Printing, reproduction, and copying
- Public transportation
- Refreshments
- Supplies
- Taxi
- Training (related to VITA site and services)

All approved costs will be detailed in the grant award letter to the credit union.

What are the application deadlines?

Application Open Date:	June 1, 2005.
Application Closing Date:	This grant has no closing date. Grants will be awarded until \$60,000 in allocated funds is exhausted.

What is the method for evaluating the grant applications?

Applications will be evaluated as they are received. Grant applications will be evaluated based on financial and non-financial factors as listed below.

Financial factors include the following:

CAMEL Rating
Net Worth Ratio
Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the financial health and fitness of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project as described in the grant application.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds. Priority consideration is given to those credit unions which have developed partner relationships.

What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application.

Credit union must also submit a copy of the appropriate IRS certification statement.

Where should completed applications be submitted?

Applications may be mailed to:

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Applications may be faxed to:

(703) 518-6680

When will credit unions know about grant awards?

Applicants will be notified of the award decisions generally within 30 days after OSCUI receives the grant application.

What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide to OSCUI a summary of the VITA site activity. The summary should discuss the overall success of the VITA site and how the funding enabled the credit union to accomplish its objectives. Credit unions should identify the impact that grant funds have had on the community the credit union serves.

The summary should also address, if applicable: the number of tax returns prepared, the dollar amount and number of share accounts opened, Earned Income Tax Credit monies deposited, dollar amount and number of loans originated, number of individuals enrolled in financial education classes, and an estimated dollar amount of tax preparation savings. These items are listed in question 6. of the grant application.

The time frame for submitting the summary is 6 months after receiving the grant. The submission deadline is established to allow reasonable time for the credit union to ascertain the benefits of the grant.

Summaries should be submitted to OSCUI at the address listed above.

How can credit unions contact the office with questions?

Credit unions can contact the office at the address above or
Phone: (703) 518-6610 or Email: oscuiapps@ncua.gov

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

<p>Technical Assistance Grant Application Volunteer Income Tax Assistance Initiative-Tax Year 2005</p>
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

Attach separate sheets as necessary for your responses.

1. Describe fully the activity or program that the grant will cover. Include a list in order of priority if grant funding will cover multiple items. If applicable, provide a list of vendors who will deliver the goods and/or services. Where appropriate, attach copies of bids, estimates, class schedules, prices or other supporting information.
2. Can the credit union fund this activity or project from its own resources? Explain.
3. Discuss how the proposed grant will be used to build the capacity of the credit union and ultimately enhance service to members or to the community. Explain how the proposed project incorporates the Purpose of the CDRLF, as described in the introductory paragraphs. Building capacity of the credit union means improving the overall operations or financial condition of the credit union, and ultimately enabling the credit union to better deliver services to its members.
4. Discuss the potential impact of the project to be funded by the grant. Does the proposed project target credit union staff, credit union members, potential members, or the community as a whole?
5. If your credit union receives this grant from the CDRLF, what financial results do you expect to observe at the credit union?

	Dollars	Percent
Growth in total assets?	\$_____	_____%
Growth in total shares?	\$_____	_____%
Growth in loans?	\$_____	_____%
Growth in member business loans?	\$_____	_____%
Growth in average share balances?	\$_____	_____%
	Number	Percent
Growth in membership?	_____	_____%

Other (explain):

6. The following information is REQUIRED when requesting reimbursement:
 - Electronic Filer Identification Number (E-FIN)
 - Number of tax returns prepared/clients served
 - Number of deposit/share accounts opened
 - Dollar amount of deposit/share accounts opened
 - Earned Income Tax Credit (EITC) money deposited
 - Number of loans originated
 - Dollar amount of loans originated
 - Number of individuals enrolled in financial education
 - Estimated amount of tax preparation savings, in dollars

Instructions

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, if necessary use a second line for suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4. above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be credit.union@ncua.gov), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12. above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives.

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

Phone: 703-518-6610
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